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UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

In re:
LAVERNE JOY RETTKOWSKI,
Debtor

No.: 10-04018-PCW11

FINDINGS OF FACT

THIS MATTER coming before the Court upon the issues raised by Debtor's request for confirmation of Debtor's Plan of Reorganization ("Plan") and final approval of Debtor's Disclosure Statement ("Disclosure Statement") and based upon the evidence produced, the Court now makes the following:

FINDINGS OF FACT

1. Debtor's Plan of Reorganization and Disclosure Statement were filed herein on January 24, 2011 which was submitted to Creditors and other parties in interest;
2. The Plan has been accepted in writing by the creditors and equity security holders whose acceptance is required by law;

Findings of Fact-1

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1 3. The provisions of Chapter 11 of the United States Code have been complied
2 with and the Plan has been proposed in good faith and not by any means forbidden by
3 law;

4 4. (a) Each holder of a claim or interest has accepted the Plan or will receive or
5 retain under the Plan property of a value, as of the effective date of the Plan, that is not
6 less than the amount that such holder would receive or retain if the Debtor were liquidated
7 under Chapter 7 of the Code on such date, or (b) the Plan does not discriminate unfairly,
8 and is fair and equitable with respect to each class of claims or interests that is impaired
9 under, and has not accepted the Plan;

10 5. All payments made or promised by the Debtor or by a person issuing
11 securities or acquiring property under the Plan or by any other person for services or for
12 costs and expenses in, or in connection with, the Plan and incident to the case, have been
13 fully disclosed to the Court and are reasonable and are hereby approved, or, if to be fixed
14 after confirmation of the Plan, will be subject to approval of the Court;

15 6. Confirmation of the Plan is not likely to be followed by the liquidation, or the
16 need for further financial reorganization of the Debtor, or (b) if the Plan is a plan of
17 liquidation, the Plan sets a time period in which liquidation will be accomplished, and
18 provides for the eventuality that the liquidation is not accomplished in that time period;

19 7. Pursuant to the Plan, the following acts or events constitute substantial
20 consummation of the Plan: sixty (60) days following Confirmation, provided that Debtor
21 has paid all installments provided by this Plan to be paid within that time;

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Findings of Fact-2

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1 8. Creditors were given Notice of Confirmation and no objections thereto were
2 made, or if made, have been resolved;

3 9. It is proper that Debtor's Disclosure Statement be approved; and

4 10. It is proper that Debtor's Plan be confirmed, subject to the following:

5 a. Notwithstanding any provision of the Plan to the contrary, any proposed
6 sale of One Hundred Fifty-Six Acres (Art. I, def. #27), Sixty Acres (Art. I, def. #39),
7 or Eighty Acres (Art. I, def. #20) on terms, rather than a cash sale, while any
8 outstanding balance remains due Classes 6 and 7 (FSA), shall be subject to further
9 Final Order (Art. I, def. #23) of Court After Notice and Hearing (Art. I, def. #3);

10 b. Notwithstanding any provision of the Plan to the contrary, Debtor shall
11 surrender to Classes 6 and 7 (FSA) the FSA Equipment Collateral (Art. I, def.
12 #22), except for the 1977 Ford F600 Truck, 1995 Dodge Pickup, 1998 Morgan
13 Stock Trailer, 2002 Honda ATV, 1 Cow, 2 horses, and the 1995 Arctic Cat 4-
14 wheeler ATV (collectively referred to as "Equipment and Livestock"). Within thirty
15 (30) days of Confirmation, Debtor shall pay Classes 6 and 7 (FSA) the sum of
16 Seven Thousand Nine Hundred Dollars (\$7,900.00) for Equipment and Livestock.
17 Upon payment, Classes 6 and 7 shall execute the necessary documents and
18 writings to release its lien upon and in Equipment and Livestock and shall have no
19 further claim secured by Equipment and Livestock. Equipment and Livestock shall
20 vest in Debtor free of all claims. The entry of the Order confirming the Plan shall
21 terminate the automatic stay of 11 U.S.C. §362(a) as to the Equipment and
22 Livestock surrendered, thereby allowing recovery and disposition of such
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25 Findings of Fact-3

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1 property by Classes 6 and 7 (FSA) according to applicable non-bankruptcy law;

2 c. Notwithstanding any provision in the plan to the contrary, a final decree
3 shall not be entered and the case shall not be case closed, pursuant to 11
4 U.S.C. §350, until after all property to be sold or abandoned under the Plan has
5 been sold or abandoned; and

6 d. The treatment of Class 9 (States Resources Corp.), set out in lines 22-
7 24 on p.16 of the Plan, is amended to read as follows:

8 1. Debtor has abandoned and turned over to Class 9 (States
9 Resources Corp.) the State Resource Collateral (Art. 1, def. #40), which
10 has liquidated the same. The balance owing on the Class 9 claim, after
11 applying the proceeds of such liquidation, is \$90,182.50, which shall be
12 referred to as the "SRC Deficiency Claim;"

13 2. The SRC Deficiency Claim shall be paid as a claim of Class
14 12 (Unsecured), subject to the following;

15 3. \$25,000 of the SRC Deficiency Claim shall be deemed to be
16 non-dischargeable, and shall be referred to as the "SRC Non-
17 dischargeable Claim." The remaining \$65,182.50 of the SRC Deficiency
18 Claim shall be fully dischargeable, and shall be referred to as the "SRC
19 Dischargeable Claim;"

20 4. 27.72% of all amounts received by SRC shall be applied to
21 reduce the SRC Non-dischargeable Claim, and 72.28% of all amounts

22 Findings of Fact-4

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25 **SOUTHWELL & O'ROURKE, P.S.**
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1 received by SRC shall be applied to reduce the SRC Dischargeable
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3 Claim; and

4 5. SRC hereby releases any and all claims against Ashton
5 Klein, for his prepetition purchase of the Challenger Caterpillar Tractor
6 (the "Tractor") from the Debtor, and SRC hereby releases any and all
7 claims, interest, and/or liens against the Tractor.

8 PRESENTED BY:

9 10 SOUTHWELL & O'ROURKE, P.S.

11 BY: s/ Kevin O'Rourke
12 KEVIN O'ROURKE, WSBA #28912

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Patricia C. Williams
Bankruptcy Judge

Findings of Fact-5

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